

Minutes of the Personnel Committee
Tuesday, September 30, 2003

Chair Paulson called the meeting to order at 8:32 a.m. and led the committee in the Pledge of Allegiance.

Present: Supervisors Duane Paulson (Chair), Robert Thelen II, Jeff Morris, Carl Seitz, Matt Thomas and Pete Gundrum. **Absent:** Don Broesch. Supervisor Seitz arrived at 9:07 a.m. Supervisor Thomas arrived at 10:10 a.m.

Also Present: County Board Chairman Jim Dwyer, Legislative Policy Advisor Dave Krahn, County Clerk Kathy Nickolaus, Director of Administration Norm Cummings, Employment Services Manager Sue Zastrow, Senior Financial Analyst Mike Baniel, Senior Budget Analyst Clara Daniels, Employee Benefits Administrator Peter Hans, Labor Relations Manager Jim Richter, Corporation Counsel Thomas Farley, Chief of Staff Lee Esler, Supervisor Hank Carlson, Supervisor Sandi Wolff, Supervisor Duane Stamsta, Supervisor Kathleen Cummings, Budget Manager Keith Swartz, Supervisor Rodell Singert, Child Support Agency Director Bruce Haarman, Financial Analyst Amy Sawyer, Offices Services Coordinator Windy Jicha.

Approve Minutes of September 9, 2003

MOTION: Thelen moved, Morris second, to approve the minutes of September 9, 2003. **Motion carried:** 4-0.

Schedule Next Meeting Dates

- October 7 a.m./p.m.
- October 14 p.m.

Executive Committee Report

Paulson advised of the following issues discussed at the last Executive Committee meeting.

- Discussion and Consideration of the following 2004 budgets: Non-Departmental, Community Development Block Grant, Waukesha County Federated Library System
- Budgeting for Retirees Health Benefits
- Capital Projects

Future Agenda Items

- The role of the county's auditors
- Follow-up on Retiree Health Benefits

Discuss and Consider the 2004 Operating Budget of the County Executive

Daniels and Swartz were present to discuss the Executive 2004 operating budget general fund as outlined in the budget book. Daniels covered the following areas: mission, financial summary, position summary (FTE), departmental objectives and major departmental strategic achievements. Total expenditures for 2004 are \$504,714 and total revenues are \$496,114 for a tax levy increase of \$7,993 or 1.6%. This department has 4.53 FTEs which is decrease of 0.22 FTEs in 2004. Daniels also explained the following programs: Customer/Community Service/Advisory Boards and County Administration/Administrative Services.

Morris asked who is eligible for per diems? Daniels explained that citizens on boards and commissions are eligible for per diems for attending meetings and they are also eligible for mileage reimbursement if they choose.

Morris asked what pay increases the personnel in this department are expecting? Swartz said that he could not discuss pay increases for represented employees in open session due to bargaining issues. Swartz explained that non-represented employees can expect an average pay increase of 1.75% across the board.

The committee members decided not to approve any departmental budgets at this time. Gundrum said he wanted more time to review the budgets. The committee discussed how to make amendments to departmental budgets.

Supervisor Seitz arrived at 9:07 a.m.

Discuss and Consider the 2004 Operating Budget of Human Resources

Cummings, Richter and Zastrow were present to discuss the Human Resources 2004 operating budget as outlined in the budget book. Zastrow and Richter began the discussion with the objectives and major achievements found on pages 346 and 347 of the budget book.

Zastrow said total expenditures for Employment Services/Training for 2004 are \$565,692, total revenues are \$27,550 and the total tax levy is \$538,142. The staffing remained at 4.00 FTEs for the division. Personnel costs increase due to cost to continue existing staff and increased benefit costs, partially offset by employee changes lowering health and dental insurance. Operating expenses decrease due to decreased pre-employment costs by \$2,280 and compensation evaluation costs by \$1,360. Interdepartmental charges increase due to increased charges from End User Technology Fund by \$8,540. Other Revenue increases are due to increased wellness revenues by \$1,000.

Richter reviewed the budget for the Employee Benefits/Labor Relations. Total expenditures for this area are \$383,299, total revenues are \$383,299 with no resulting tax levy. Personnel costs increase due to cost to continue existing staff and increased benefit costs. Operating expenses decrease due to the elimination of contracted services due to the completion of an intranet employee benefit Website by \$25,000. Interdepartmental charges increase due to increased charges from the End User Technology Fund by \$6,400.

MOTION: Gundrum moved, Seitz second, to tentatively approve the 2004 operating budget for Human Resources. **Motion carried: 4-1** (Morris voted no).

Budgeting for Retirees Health Benefits

Cummings began by giving the committee the history of the self-insurance program in Waukesha County. Hans distributed and discussed a handout titled 2004 Retiree Health Insurance Costs. He said Waukesha County offers a retiree health insurance plan to its employees. The premium rates for this plan are developed independent of the active employee Point-of-Service health plan. Retirees are responsible for paying the full premium costs. Despite the county's attempts to establish a self-sustaining premium structure for the retire plan, it continues to operate at a loss. For 2004 the County's consulting actuary recommended a 15.5% premium for increase for the active plan and a 51.9% premium increase for the retiree plan.

Cummings said he believes that passing a 51.9% premium increase onto the retirees would jeopardize their ability to continue participation in the plan. As an alternative, the consulting actuary recommended a 19.8% blended rate increase for both the active plan and the retiree plan. However, the 2004 budget was initially developed with a 14% increase for the active plan based on our consulting actuary's September 2002 projection. Changes were subsequently made to the departmental budgets to increase the funding of the active plan to 16%, because a 19.8% increase was not attainable by the time the actuary's final report

was completed. The 2004 retiree plan rates will also be increased by 16%. This increase will create a revenue shortfall that will be supported by a one-time transfer of \$580,000 from fund balance to the Point-of-Service health plan reserves.

Supervisor Thomas arrived at 10:10 a.m.

Hans said in an effort to remove the county from this ongoing cycle of subsidizing the retiree plan, the Department of Administration will conduct a comprehensive study next year to evaluate alternative health plan designs with the intent to provide catastrophic health care protection to retirees at an affordable cost and to eliminate or substantially reduce the County's financial subsidy.

Morris asked what would the retirees benefit premiums cost if we increased the retirees benefits 19%? Morris said he didn't know how much of an increase we should pass onto retirees but we need to do something to relieve the tax levy. Cummings said they didn't charge retirees the 19% increase because the information came too late in the budgeting process. Raising the premiums to 19% will reduce the fund balance by \$50,000. Cummings said he thinks we should budget for the 51% increase and then if the fund balance is not needed we will not use it.

Hans said a 19% increase will increase a single plan \$80 per month and \$200 per month for a family plan. Hans said retirees would have to pay this increase but keep in mind that pension payments did not increase and some payments could have experienced a decrease in payments.

Discuss and Consider the 2004 Operating Budget of the County Clerk

Paulson said he met with the County Clerk and the Treasurer and both departments agreed to drop one-half FTE each and share one FTE throughout the year. There will be a total of 1.00 FTE deducted from the combined budgets. Nickolaus said she will work with the Treasurer to set up a schedule so this person will work 50% of the time in each department. Paulson said this has worked before in the county where employees are shared. Because of each department's schedule and busy periods each year, this will be a good fit.

Nickolaus was present to discuss the County Clerk's 2004 operating budget. She distributed and discussed a handout titled County Clerk Budget 2004. She said the County Clerk's budget increases cyclically during election years. The handout included an updated list of departmental objectives. She wanted to update the objectives found in the budget book due to the addition of the passport program and the publication of the Public Officials Directories and the reduction of staffing in her department. She said she doesn't see a need for objective number one on page 332 in the budget book so she wants the item eliminated.

Thomas said the objective should be narrowed down to say the posting should only go to our official newspaper and we should not pay any additional fees for posting unnecessarily. He's comfortable with dropping the objective if the County Clerk does not pay extra to the Milwaukee Journal Sentinel for posting.

Nickolaus also explained why she would like numbers four, five and seven removed from the Objectives list on page 332.

MOTION: Thomas moved, Seitz second, to drop the departmental objective number one from the budget book. **Motion carried:** 6-0.

MOTION: Morris moved, Thelen second, to remove objectives four and five from the budget book.

Motion carried: 6-0.

MOTION: Gundrum moved, Morris second, to remove objective seven from the budget book. **Motion carried:** 6-0.

MOTION: Gundrum moved, Morris second, to add the following objective: Accept US passport applications, on authorization through a 2003 ordinance. (4th quarter '03, 1st quarter). **Motion carried:** 6-0.

MOTION: Thomas moved, Seitz second, to add the following objective: Publish the pocket size public officials directories at the request of elected officials, residents and media. To help with the costs of the directories, only the number of public official directories pre-paid will be printed." **Motion carried:** 6-0.

MOTION: Thomas moved, Gundrum second, to add the language "mandated by the county" to the first mission statement listed on page 331. **Motion carried:** 6-0.

Nicholaus would like to add to her budget the half position that was discussed. Swartz said this should be handled at the time the Positions Ordinance is discussed by the committee.

Nickolaus said operating expenses increased \$175,000 for election related costs including the cost of ballots and publishing required legal election notices. The increase corresponds to having four (up from two in 2003) elections planned for 2004, including the shift of the presidential primary to February (previously held in April), which is expected to generate a high turnout and the corresponding increase in the costs of elections. Fund balance of \$80,000 is budgeted to partially offset this one-time increase.

Thomas asked why we didn't use fund balance in 2002 for elections. Cummings said this is mainly due to a change in policy. This budget has large disparities from year to year. Cummings said Swartz wanted to give Nickolaus flexibility with her budget and allow her to use less levy.

Nickolaus said with she dropped the 0.02 FTE overtime to zero with the addition of 0.5 FTE to her department that was discussed earlier today. With the addition of the 0.5 FTE to her budget, the personnel costs in her budget will need to be changed.

Nickolaus said there was an error in her budget because it doesn't include personnel costs for health insurance for her. Cummings and Nickolaus discussed this at length regarding how to best handle this in the Clerk's budget. Nickolaus said the budget should be changed to reflect the added costs of her medical and dental insurance. Cummings said this could be handled in the County Clerk's budget through various methods such as a fund transfer. Cummings said he would work with Nickolaus on this issue.

Nickolaus said the election software will be upgraded from an updated DOS version to a Windows version prior to the presidential primary election. This upgrade has a one-year warranty, reducing the software maintenance costs in 2004 by \$6,000. She said after one year, the cost will increase to \$12,000.

Nickolaus outlined program highlight number three found on page 334. She wants this highlight removed because she is losing 0.5 FTEs and is not sure her office can handle posting agendas any longer. She said if she assumes this added responsibility and doesn't have enough staff to handle the task, she will not be able to discontinue this task because it is listed in the budget book.

Morris asked how long this takes every week to complete. Nicholaus said this task takes her staff two hours per day to post agendas. This task could take less time if the agendas arrived in the proper format from all departments.

Morris asked if she is mandated to post these agendas to the Web. Nickolaus said no it is not mandated. Morris said Nickolaus should tell departments if an agenda doesn't come to the office in the proper form it will not be posted on the Internet.

Thomas said we should leave this objective in the book and if Nickolaus is unable to complete the task she can come back to the committee for discussion.

Paulson said if you are statutorily required to post the agendas she should do this task and then if she is unable to post them to the Internet she should come back to the committee. We will have the County Clerk's budget updated by administration to reflect the changes discussed here. The committee will review these changes at a future meeting.

Discuss and Consider Ordinance 158-O-081: Change in Budget Intent for Publication of Public Official Directories

MOTION: Thomas moved, Thelen second, to approve Ordinance 158-O-081: Change in Budget Intent for Publication of Public Official Directories. **Motion carried:** 6-0.

Discuss and Consider the 2004 Operating Budget of Corporation Counsel

Farley was present to discuss the Corporation Counsel 2004 operating budget as outlined in the budget book. He said total expenditures for all funds in 2004 are \$3,379, 755 and total revenues are \$2,362,131 for a tax levy increase of \$68,795 or 7.3% for all funds. 2004 expenditures for the General Fund alone are \$1,225,396, revenue of \$340,824 and total levy of \$884,572. This is a tax levy increase of \$34,310 or 4.0%. Farley said they have come up with a rate of \$82 per hour for legal services. This does not include the cost of heat, light and rent and is approximately half the cost of outside attorneys.

Haarman explained the Child Support Division Budget beginning with page 116 of the budget book. He covered the following areas: fund purpose, performance measures, division objectives and division achievements. This program is funded at less than 10% by tax levy. He described the following programs: Legal and Administrative Services, Case Management and Financial Services.

Haarman reviewed the financial and position summary for the Child Support Division. Total expenditures in 2004 are \$2,154,359 and total revenues are \$2,021,307. The 2004 tax levy is \$133,052 which is an increase of 35%. The 2003 estimated personnel costs exceed the budgeted amount due to a reallocation of a Principal Assistant Corporation Counsel of 0.10 FTE during 2003. The department may propose a fund transfer from Corporation Counsel General Fund to provide additional expenditure authority. The increase in FTE for the 2004 budget includes a transfer of 0.05 FTE of a Principal Assistant Corporation Counsel from Corporation Counsel – General. Other Revenue includes Child Support fund balance appropriations of \$68,379 in 2002, \$90,000 in 2003 and \$65,000 in 2004. The difference between budget years in Other Revenue is the planned reduction of the usage of Child Support Division fund balance.

Morris asked what impact would it have on the division if we did not increase the positions in the budget? Harmon said they are trying to leverage current staff so we don't have permanent staff increases. To meet the performance measures they need to add the staff. Without the staff, it will be very difficult to achieve performance measures and then possibly not receive funding. Farley said we should be prudent in adding

positions but we should not put ourselves in a place where we lose performance funding. Without this position, we would see reductions in the ability to meet the performance measures.

Thomas said he wouldn't want to do something that would reduce the revenue we could get from the state and federal governments. He feels that there has to be some way they could get through next year with the same level of staffing as in 2003. If you have to increase staffing you should increase the overtime instead because that is very easy to reduce in the future. He said he wonders why the department can't achieve the performance revenues within the budget.

Baniel said there will be a tax levy increase in this budget because of a phasing out of a fund balance. With discussion with the County Executive, there have been positions eliminated over time. The department was notified by the state that there was extra funding available. In the short term, the administration thinks this is a viable way to achieve the goals rather than getting behind in caseload.

Discuss and Consider the 2004 Operating Budget of the County Board

Dwyer and Esler were present to discuss the County Board 2004 operating budget as outlined in the budget book. Dwyer covered the following areas: mission, financial summary, position summary (FTE), departmental objectives and major departmental strategic achievements. Total expenditures for 2004 are \$1,301,482 and no revenues. The tax levy for this department is \$1,301,482 which is a 3.5% increase. Total personnel costs increased 3.4% while the operating expenses decreased 2.6%. The interdepartment charges increased 30.2% due to interdepartmental charges increasing from computer maintenance and repair costs continuing to be phased in over time. Esler also explained the following programs: Legislative Support, County Board and Committees Operations and Internal Audit.

Paulson asked Esler for an in-depth description of what the county auditors do. Esler said they work on assigned projects as delegated to them by the Executive Committee. They are the watchdogs of the county. The auditors would never allow themselves to not tell the truth. This is something this county has set up to protect itself. The main function of audit is to function independently to make sure the books and programs are running efficiently and honestly.

Dwyer said we have a three-year audit plan assigned by the Executive Committee. The auditors also do annual unannounced cash counts of all money-handling departments in the county. They are currently finishing up an audit of the Child Support Division which will be presented to both the Executive and Personnel Committees.

Esler said there is a separation of the Audit Department from the County Board staff. They are separated from any political influence for ethical purposes. Even working within the office, they do not collaborate outcomes with the County Board staff. Dwyer said the auditors make recommendations of improvements to departments and departments look forward to the audit department helping them to find alternative ways to run their department.

Thomas was wondering if we should form a committee to look at ways of reducing staffing in the County Board office. We need to study which positions are necessary. Is there a way to offer reduced hours to certain staff like they do in Milwaukee County? Over the years, the personnel costs in this department have continued to rise. He wants to reduce personnel costs in the office.

Dwyer explained why staffing cuts were made in Milwaukee County Board office. Dwyer said there are no slow times in the office. Dave Krahn arrives daily around 6 a.m. and splits his time between the office and Madison because he is the county's lobbyist. Esler stays well after 5 p.m. daily. The represented staff

do more than their share with committee work. He doesn't know where we could cut employees in the department but he is welcome to suggestions from Thomas.

Esler said he increasingly sees the increase in internal functions such as training, business continuity, RFPs and RFP committees, and other invisible work tasks. Some of the office staff has been asked to fill in on RFPs when Supervisors back out of their duties. One of the things that could be studied would be the internal jobs completed by the county board staff. Some of the supervisors don't understand what goes on behind the scenes.

Gundrum said maybe we could look at using auditors outside the county. He doesn't know the advantages of having an internal auditor versus outsourcing. He doesn't know why we need a lobbyist for Waukesha County. Dwyer said in order to lobby in Madison, you need to be a registered lobbyist. Krahn said if you make more than six contacts with legislators outside of your district, then you need to be registered as a lobbyist. The County Board Chair would not have to be registered but he doesn't know how the Chair could do both his county work and also be a lobbyist. Krahn said at any given time, he is working with the county's delegation, elected officials, the governor and department heads throughout the state.

Paulson said he continues hearing a comparison to Walker in Milwaukee. When Walker was elected, he met several times with Waukesha County Executive Dan Finley to ask him questions on how Waukesha County is run. Paulson said he is not going to Milwaukee County for advice when they come to us for answers.

Dwyer said we do contract with external auditors with large audits our staff can't handle. Audit reports are driven by the people who request them. When you put out a request for proposal, you know what you are going to get because you tell them what you want. Our internal auditors, take an objective look at what occurs. We don't give them direction as what they should be looking for. It is not cheap to hire external staff.

Seitz said if you contact legislators outside of the district they don't have to listen to you. Paulson said Krahn brings to Waukesha County knowledge of the laws and legislation that are specific to Waukesha County.

Thomas said the work of our lobbyist is great and a necessary role for our government. He said he is upset that supervisors don't want to hear comparisons to Milwaukee County. He can't support a 3.5% increase in this department when the County Executive is going for a 2.6% increase.

MOTION: Thelen moved, Seitz second, to tentatively approve the 2004 operating budget for the County Board. **Motion carried: 3-3** (Morris, Thomas, Gundrum voted no).

Motion to Adjourn

MOTION: Thelen moved, Morris second, to adjourn the meeting at 1:10 p.m. **Motion carried: 6-0.**

Respectfully submitted,

Peter Gundrum
Secretary